

SENATE BILL NO. 363

INTRODUCED BY MCNUTT, MENDENHALL, A. OLSON

A BILL FOR AN ACT ENTITLED: "AN ACT LIMITING AWARDS OF PUNITIVE DAMAGES IN CIVIL CASES OTHER THAN CLASS ACTION LAWSUITS; AND AMENDING SECTION 27-1-220, MCA."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 27-1-220, MCA, is amended to read:

"27-1-220. Punitive damages -- when allowed -- limitation. (1) Except as otherwise expressly provided by statute and subject to subsection (3), a judge or jury may award, in addition to compensatory damages, punitive damages for the sake of example and for the purpose of punishing a defendant.

(2) (a) Unless otherwise expressly provided by statute, punitive damages may not be recovered in any action arising from:

- (i) contract; or
- (ii) breach of contract.

(b) Subsection (2)(a) does not prohibit recovery of punitive damages in a products liability action or an action arising under 33-18-201.

(3) An award for punitive damages may not exceed \$10 million OR 3% OF A DEFENDANT'S NET WORTH, WHICHEVER IS LESS. THIS SUBSECTION DOES NOT LIMIT PUNITIVE DAMAGES THAT MAY BE AWARDED IN CLASS ACTION LAWSUITS. If a defendant's net worth is \$33 million or less, an award for punitive damages may not exceed 3% of the defendant's net worth.

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